

Belvedere: July 22, 2004
Jerry Butler

Corte Madera: **TO:** Transportation Authority of Marin Commissioners
Melissa Gill

Fairfax: **RE:** Request to Oppose California Propositions 68 and 70 (November 2, 2004
Lew Tremaine General Election), Concerning Tribal Gaming Compacts – Agenda Item 12

Larkspur: Dear Commissioners:
Joan Lundstrom

Mill Valley: On behalf of Chair Kinsey, the Transportation Authority of Marin is being
Dick Swanson requested to consider opposing both Propositions 68 and 70, concerning tribal gaming compacts, on the November 2, 2004 ballot.

Novato: **Proposition 68**, also known as the “Gaming Revenue Act of 2004” and
Pat Eklund supported by a coalition of race tracks, card clubs, and casinos, would require all compact tribes to agree within 90 days of passage to give 25 percent of their revenues to the state or lose their constitutional monopoly on slot machines. Unless all compacted tribes accept terms within 90 days, or if terms are determined unlawful, the measure would allow five tracks and 11 card rooms the right to run a total of 30,000 slot machines in their existing businesses, with 33 percent of revenues going to public safety, regulatory, and social programs. It also provides exemption from future state and local tax increases.

Ross:
Tom Byrnes

San Anselmo:
Peter Breen

San Rafael:
Al Boro

Sausalito:
Amy Belser

Tiburon:
Alice Fredericks

County of Marin:
Susan Adams
Hal Brown
Steve Kinsey
Cynthia Murray
Annette Rose

Proposition 70, also known as the “Indian Gaming Fair-Share Revenue Act” and sponsored by one tribe – the Agua Caliente Band of Cahuilla Indians, owners of casinos in the Palm Springs area – would allow California tribes to operate unlimited slot machines in as many casinos as they want on tribal lands, as well as offer games such as craps and roulette. Current compacts limit tribes to 2,000 slot machines and two casinos each, and ban certain casino games. The ballot measure calls for casinos to pay the state’s 8.8% corporate tax rate on its slot profits.

These Propositions would allow for significantly expanded gaming, possibly on non-Indian lands and in urban areas, including the San Francisco Bay Area, and do not allow for adequate local control and decision-making authority, which likely would result in unmitigated traffic congestion and other related impacts.

In addition, passage of either Proposition 68 or 70 would likely invalidate AB 687 (2004, Nunez), recently approved by the Legislature and signed into law. AB 687 is designed to give the state \$150 million to \$200 million annually in exchange for allowing five tribes to operate additional slot machines beyond the 2,000 limit. The tribes will make a one-time \$1 billion payment to the state this year, with bonds to be sold by the tribes, budgeted to fund transportation projects throughout the state. If both Propositions 68 and 70 fail passage, Marin County, cities and towns would receive a one-time allocation of approximately \$1.5 million for local street and road projects, to be split on a formula share.

TAM would receive \$3.8 million in STIP funds, and the Sonoma-Marin Narrows, Highway 101 Gap closure, and SMART projects would all be eligible for a share of \$290 million statewide to be spent on Traffic Congestion Relief projects.

Recommendation

On behalf of Chair Kinsey, staff requests TAM to consider opposing both Propositions 68 and 70 by adopting the attached Resolution 2004-06. This action requires an affirmative vote of at least nine Commissioners.

Respectfully Submitted,

Craig Tackabery
Executive Director

Attachment:

1. Resolution 2004-06
2. Propositions 68 and 70 Fact Sheet
3. Propositions 68 and 70 Analyses by the Legislative Analyst

RESOLUTION 2004-06

A RESOLUTION OF THE TRANSPORTATION AUTHORITY OF MARIN OPPOSING THE FOLLOWING PROPOSITIONS ON THE NOVEMBER 2, 2004 BALLOT:

PROPOSITION 68

“NON-TRIBAL COMMERCIAL GAMBLING EXPANSION. TRIBAL GAMING COMPACT AMENDMENTS. REVENUES, TAX EXEMPTIONS, INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.”

PROPOSITION 70

“TRIBAL GAMING COMPACTS. EXCLUSIVE GAMING RIGHTS. CONTRIBUTIONS TO STATE. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.”

SECTION 1. FINDINGS

Whereas the Transportation Authority of Marin (“TAM”) does hereby find and declare the following:

- I. Propositions 68 and 70, concerning tribal gaming compacts, have been placed on the November 2, 2004 ballot.
- II. Proposition 68 also known as the “Gaming Revenue Act of 2004” and supported by a coalition of race tracks, card clubs, and casinos, would authorize the Governor to renegotiate tribal-state compacts to require that tribes: pay 25% of slot machine/gaming device revenues to a government fund; comply with multiple state laws; and accept state court jurisdiction. Unless all compacted tribes accept terms within 90 days, or if terms are determined unlawful, it authorizes 16 specified non-tribal racetracks and gambling establishments (located in Alameda, Contra Costa, Los Angeles, Orange, San Diego, and San Mateo Counties) to operate 30,000 slot machines/gaming devices, paying 33% of revenues to fund public safety, regulatory, and social programs. It also provides exemption from future state and local tax increases.
- III. Proposition 70, also known as the “Indian Gaming Fair-Share Revenue Act” and sponsored by one tribe – the Agua Caliente Band of Cahuilla Indians, owners of casinos in the Palm Springs area – would require the Governor to offer renewable 99-year gaming compacts to federally recognized Indian tribes providing: exclusive gaming rights on Indian land; no limits on number of machines, facilities, and types of games; contribution to a state fund of a portion of net tribal gaming income, based on the prevailing state corporate tax rate; off-reservation environmental impact reports; and public notice/comment opportunities before significant expansion or construction of gaming facilities. Contributions are in lieu of any other fees, taxes, or levies. Contributions terminate if the state permits non-tribal casino-type gaming.
- IV. Propositions 68 and 70 would allow for significantly expanded gaming, possibly on non-Indian lands and in urban areas, including the San Francisco Bay Area, and do not allow for adequate local control and decision-making authority, which likely would result in unmitigated traffic congestion and other related impacts.
- V. Passage of either Proposition 68 or 70 would likely invalidate AB 687 (2004, Nunez), recently approved by the Legislature and signed into law. AB 687 is designed to give the state \$150 million to \$200 million annually in exchange for allowing five tribes to operate additional slot machines beyond the 2,000 limit. The tribes will make a one-time \$1 billion payment to the state this year, with bonds to be sold by the tribes, budgeted to fund transportation projects throughout the state. If both Propositions 68 and 70 fail passage, Marin County, cities and towns would receive a one-time allocation of approximately \$1.5 million for local street and road projects, to be

split on a formula share. TAM would receive \$3.8 million in STIP funds, and the Sonoma-Marín Narrows, Highway 101 Gap closure, and SMART projects would all be eligible for a share of \$290 million statewide to be spent on Traffic Congestion Relief projects.

SECTION 2. ADOPTION

Now, therefore, based on the findings in Section 1 above, the Transportation Authority of Marin urges the people of the County of Marin to oppose both Proposition 68 and Proposition 70 on the November 2, 2004 ballot.

SECTION 3. VOTE

PASSED AND ADOPTED at a regular meeting of the Transportation Authority of Marin, on the 23rd day of September, 2004 by the following vote to-wit:

AYES: Commissioners:

NOES: Commissioners:

ABSENT: Commissioners:

STEVE KINSEY, CHAIR
TRANSPORTATION AUTHORITY OF MARIN

ATTEST:

Craig Tackabery
Executive Director

PROPOSITIONS 68 AND 70 FACT SHEET

On Saturday, July 31st, Governor Schwarzenegger signed the FY 2004-05 state budget. The FY 2004-05 budget includes the following key elements:

- Suspends Proposition 42 in FY 2004-05, but commits to repaying the entire amount (\$1.2 billion) by June 31, 2008) with interest to accrue to the non-Traffic Congestion Relief Program elements — local streets and roads, the State Transportation Improvement Program (STIP) and the Public Transportation Account (PTA)
- Repays \$183 million in outstanding Traffic Congestion Relief Fund (TCRF) loans that the General Fund was due to repay in FY 2005-06. Of this total, \$140 million is a transfer of “spillover” funds that would normally be deposited into the PTA. Further repays a \$20 million loan from SHA the TCRF, leaving \$163 million in the TCRF to reimburse existing allocations.
- Allocates \$108 million in State Highway Account (SHA) revenues that are not restricted by Article XIX of the California Constitution to the General Fund. Normally, these dollars would accrue to the PTA for transit capital projects in the STIP.
- Provides \$117.4 million for State Transit Assistance (STA) for local transit operators, an increase of 12 percent over last year’s enacted level of \$104.6, due to higher diesel prices.
- Implements an accounting change for local assistance funds from an accrual to cash basis, which should generate an estimated \$200 million for the benefit of the SHA.
- Drops a proposal by the Governor to conduct a review of TCRP projects based on the following criteria: (1) economic impact, including job creation; (2) impact on goods movement; and (3) leveraging of local, federal and private funds.

The big news for transportation this year is the potential for tribal gaming revenue to provide early repayment of outstanding General Fund transportation loans, which currently exceed \$2.2 billion, not including the Proposition 42 suspension for FY 2004-05. The funding is the result of renegotiated gaming compacts that Governor Schwarzenegger struck with five Native American tribes which allow the tribes to greatly expand their gaming activities in return for contributing more of their funds to the state and agreeing to negotiate with local government.

Chapter 91, Statutes of 2004 (AB 687, Nuñez) codifies this agreement, providing for a bond issuance up to \$1.5 billion that would be repaid with the gaming revenues. The statute transfers the first \$1.2 billion into the TCRF to be distributed in the order shown in the chart below, but also authorizes repayment of additional outstanding General Fund loans, should additional revenue become available as other tribes sign on to the agreement. Note that while STA is specified in the legislation, the \$1.2 billion is fully dedicated to other purposes, leaving additional STA funding dependent on a bond issuance in excess of \$1.2 billion.

Distribution of Tribal Gaming Bond Proceeds

Designated Purpose	Statewide Amount	Marin Amount
State Highway Account	\$457 million	\$3.8 million***
Public Transportation Account*	\$275 million	
Traffic Congestion Relief Program	\$290 million	**
Streets & Roads repayment*	\$192 million	\$1.5 million
State Transit Assistance repayment	-----	
Total	\$1.214 million	

*The statute provides that these categories shall be repaid equally, as funds become available, up to \$384 million. The PTA would receive an additional \$83 million after the \$384 million is realized.

** Formula not determined, but could provide funds for 101 HOV Gap Closure, Marin/Sonoma Narrows, SMART project

*** Total amount for STIP from State Highway Account and Public Transportation Account

It is important to note that these revenues depend upon the *failure* of two competing tribal gaming measures on the November 2004 statewide ballot — Propositions 68 and 70. The five tribal gaming compacts negotiated by the Governor and ratified by the Legislature include provisions that would declare them null and void if the voters approve either of these ballot measures. See the end of this memo for more details on the measures.

Tribal Gaming Measures on November 2004 Ballot

Proposition 68

Proposition 68, “The Gaming Revenue Act of 2004,” is backed by the state’s card clubs and racetracks. It mandates that within 90 days of the measure’s passage, all tribes with existing compacts agree to pay 25 percent of their revenue to the state or lose their monopoly on casino-style gambling in California. Currently, 61 tribes have tribal-state gaming compacts, making it extremely difficult and unlikely that all of them would renegotiate their compacts in this manner and timeframe. Their failure to do so would authorize up to 30,000 new slot machines to be divvied up between various card clubs and racetracks, including Golden Gate Fields in Berkeley, casino San Pablo in San Pablo, and Bay Meadows in San Mateo. The gambling establishments would then pay local governments 30 percent of the net win from the slot machines, estimated by the Legislative Analyst to generate over \$1 billion annually. These funds would be distributed to local governments as follows:

- 50% to counties to provide services for abused and foster care children.
- 35% to local governments for additional sheriffs and police officers on a per capita basis
- 15% to local governments for additional firefighters on a per capita basis

Proposition 70

Proposition 70, the “Indian Gaming Fair Share Revenue Act of 2004,” is sponsored by the Agua Caliente tribe and would authorize tribes to enter into 99-year compacts with the Governor to levy the corporate tax rate on casinos in exchange for protecting the tribal monopoly on casino-style gambling, lifting the 2,000 slot-machine-per-tribe cap, and allowing tribal casinos to operate craps and roulette tables, which are now banned. According to the Legislative Analyst’s Office, the revenue impact to the state appears likely to be lower under the new compacts since the amount allocated to the state is modified from a per machine contribution to a contribution based on the income generated by the machines. In addition, the new compacts would remove provisions from existing compacts that require tribes to negotiate with local government regarding community impacts, and therefore would likely reduce payments to local government.

PROPOSITION

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**NON-TRIBAL COMMERCIAL GAMBLING EXPANSION.
TRIBAL GAMING COMPACT AMENDMENTS.
REVENUES, TAX EXEMPTIONS. INITIATIVE
CONSTITUTIONAL AMENDMENT AND STATUTE.**

OFFICIAL TITLE AND SUMMARY

Prepared by the Attorney General

**Non-Tribal Commercial Gambling Expansion.
Tribal Gaming Compact Amendments. Revenues, Tax Exemptions.
Initiative Constitutional Amendment and Statute.**

- Authorizes Governor to negotiate tribal compact amendments requiring that Indian tribes pay 25% of slot machine/gaming device revenues to government fund, comply with multiple state laws, and accept state court jurisdiction.
- If compacted tribes don't unanimously accept required amendments within 90 days, or if determined unlawful, authorizes sixteen specified non-tribal racetracks and gambling establishments to operate 30,000 slot machines/gaming devices, paying 33% of net revenues to fund government public safety, regulatory, social programs.
- Provides exemption from specified state/local tax increases.

Summary of Legislative Analyst's Estimate of Net State and Local Government

Fiscal Impact:

- Increased gambling revenues—potentially over \$1 billion annually. The revenues would be provided primarily to local governments throughout the state for additional child protective, police, and firefighting services.
- Depending on outcome of tribal negotiations, potential loss of state revenues totaling hundreds of millions of dollars annually.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

The California Constitution and state statutes specify the types of legal gambling that can occur in California. For instance, current law allows wagering on horse races and certain games in licensed card rooms. In addition, Indian tribes with tribal-state gambling compacts can operate slot machines and certain other casino-style gambling in California.

Card Rooms and Horse Racing

Card Rooms. The state allows card rooms to conduct card games where the card room operator has no stake in the outcome of the game. The players play against each other and pay the card room a fee for the use of the facilities. Typical card games include draw poker, 7-card stud, and poker pai gow. Certain games—such as twenty-one—are prohibited. There are 96 licensed card rooms in the state. Local governments approve card rooms, as well as establish the hours of operation, the number of tables, and wagering limits. Current state

law limits the expansion of both the number of card rooms and the size of existing card rooms until January 2010.

Horse Racing. The state issues licenses to racing associations that then lease tracks for racing events. In California, there are 6 privately owned racetracks, 9 racing fairs, and 20 simulcast-only facilities. (These latter facilities do not have live racing; instead, they allow betting on televised races occurring elsewhere in the world.)

Gambling on Indian Land

Federal law and the State Constitution govern gambling operations on Indian land. Tribes that enter into a tribal-state gambling compact may operate slot machines and engage in card games where the operator has a stake in the outcome, such as twenty-one. Currently, 64 tribes have compacts and operate 53 casinos with a total of more than 54,000 slot machines. Any new or amended compact must be approved by the

**NON-TRIBAL COMMERCIAL GAMBLING EXPANSION.
TRIBAL GAMING COMPACT AMENDMENTS. REVENUES, TAX EXEMPTIONS.
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ANALYSIS BY THE LEGISLATIVE ANALYST (CONT.)

Legislature, the Governor, and the federal government. As sovereign nations, tribes are largely exempt from state and local taxes and laws, including California environmental laws.

1999 Compacts. Most tribes signed their current compacts in 1999. Under these compacts, a tribe may operate up to two facilities and up to a total of 2,000 slot machines. In exchange, tribes make some payments to the state which can only be used for specified purposes (such as for making payments to tribes that either do not operate slot machines or operate fewer than 350 machines). These payments total over \$100 million annually. Under these compacts, tribes are required to prepare an environmental study analyzing the impact on the surrounding area of any new or expanded gambling facility. These compacts will expire in 2020.

2004 Compacts. In the summer of 2004, five tribes signed amendments to their compacts, and these revised agreements were approved by the state. Under these new agreements, these tribes may operate as many slot machines as they desire. In exchange, tribes make a specified payment annually to the state, with additional payments for each slot machine added to their facilities. As additional tribes sign similar compacts, payments to the state are expected to total in the hundreds of millions of dollars annually. Unlike the payments required by the 1999 compacts, the state can use these payments for any purpose. The newer compacts also require the tribes to (1) prepare more detailed environmental studies; (2) negotiate with local governments regarding payments addressing the impacts of new gambling facilities on the local communities; and (3) follow other provisions related to patron disputes, building codes, and labor relations. These new agreements expire in 2030, ten years later than the 1999 compacts.

PROPOSAL

This measure, which amends the State Constitution and state statutes, sets up two possible scenarios regarding new state gambling revenues.

- The first scenario would occur only if all Indian tribes with compacts agree to specified revisions to their existing compacts.
- The second scenario would be triggered if the tribes do not agree to the revisions. In this case, 5 existing racetracks and 11 existing card rooms would be allowed to operate slot machines.

These two scenarios are discussed below.

Revision of Current Tribal-State Compacts

Under the first scenario, all compact tribes would be required to agree with the Governor to terms required by this measure within 90 days of its passage. Specifically, the measure requires that all tribes with compacts agree to (1) pay 25 percent of their "net win" to the Gaming Revenue Trust Fund (GRTF, a state fund established by the measure) and (2) comply with certain state laws, including those governing environmental protection, gambling regulation, and political campaign contributions. Net win is defined as the wagering revenue from all slot machines operated by a tribe after prizes are paid out, but prior to the payment of operational expenses. Under federal law, the federal government would have to approve the revised agreements.

Expansion of Gambling if Compacts Are Not Revised

As noted above, if the current compacts are not revised under the first scenario, the measure would allow slot machines on non-Indian lands. Specifically, under the second scenario, the measure allows specified racetracks and card rooms located in Alameda, Contra Costa, Los Angeles, Orange, San Diego, and San Mateo Counties to operate up to 30,000 slot machines (see Figure 1). The measure would allow the sale or sharing of slot machine licenses in certain circumstances. The measure also makes permanent the limit on the expansion of both the number of card rooms and the size of existing card rooms (due to expire in January 2010 under current law).

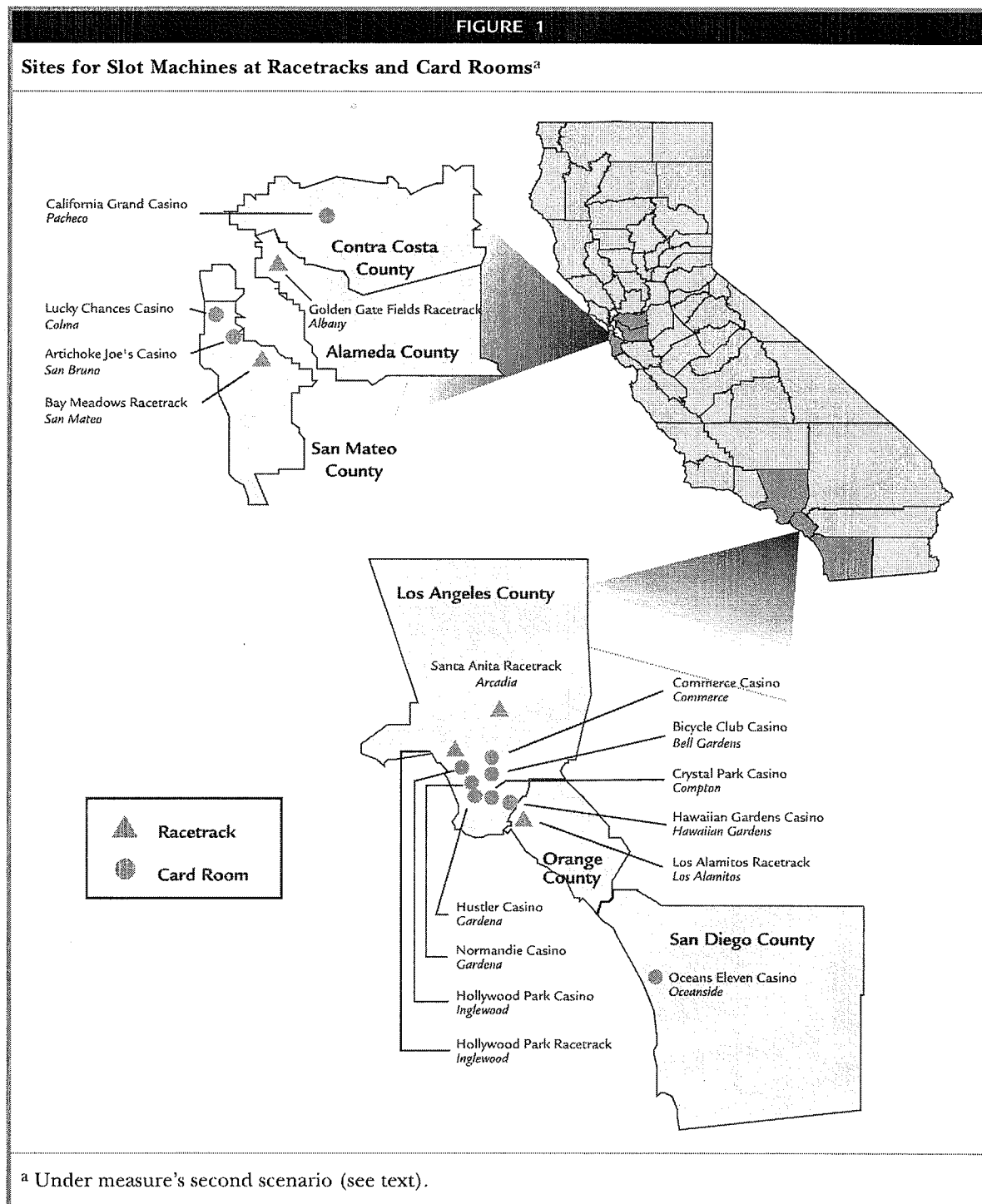
Net Win Payments. Racetracks and card rooms would pay 30 percent of the net win from their slot machines to the GRTF. They would also pay 2 percent of their net win to the city and 1 percent to the county in which the gambling facility is located. The measure specifies that the payments to the GRTF be in place of any state or local gambling-related taxes or fees enacted after September 1, 2003.

The five racetracks also would be required to pay annually an additional 20 percent of the net win on their slot machines. These funds would be administered by the California Horse Racing Board and used to benefit the horse racing industry, including the increase of race purses.

Distribution of Gambling Revenues

Payments based on net win would be made to the GRTF under either scenario—whether tribes revised their compacts or racetracks and card rooms operated slot machines. In either case, slot machine operators

ANALYSIS BY THE LEGISLATIVE ANALYST (CONT.)

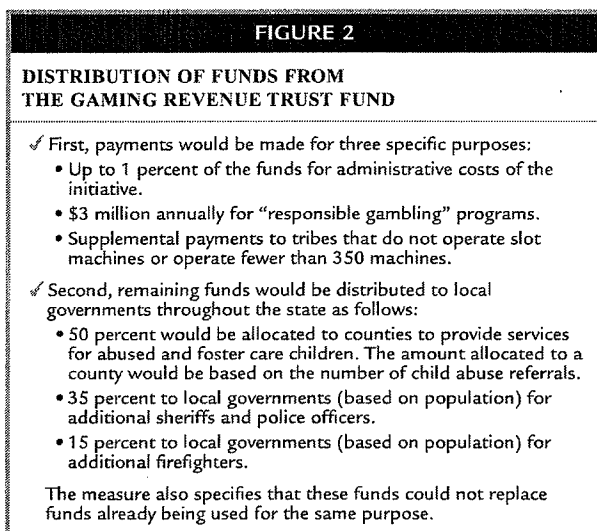


**NON-TRIBAL COMMERCIAL GAMBLING EXPANSION.
TRIBAL GAMING COMPACT AMENDMENTS. REVENUES, TAX EXEMPTIONS.
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ANALYSIS BY THE LEGISLATIVE ANALYST (CONT.)

would be required to pay for annual audits of their reported net win and payments made to the GRTF. The measure establishes a five-member board appointed by the Governor to administer the GRTF. Figure 2 describes how funds in the GRTF would be distributed. The bulk of the funds would be distributed to local governments throughout the state for additional child protective, police, and firefighting services.



Related Provisions in Proposition 70

Proposition 70 on this ballot also contains provisions affecting the number of slot machines authorized in the state. That measure would allow tribes entering a new or amended compact to expand the types of games authorized at casinos. It would also eliminate the existing limits on the number of slot machines and facilities a tribe can operate. In exchange for the exclusive right to these types of gambling, tribes would pay the state a percentage of their net income from gambling activities. The State Constitution provides that if the provisions of two approved propositions are in conflict, only the provisions of the measure with the higher number of yes votes at the statewide election take effect.

FISCAL EFFECT

The fiscal effect of the measure on state and local governments would depend on whether current compacts are revised or if racetracks and card rooms operate slot machines. The fiscal effect under each scenario is discussed below.

Revision of the Current Tribal-State Compacts

Net Win Payments. While tribes do not publicly report information on their slot machine revenues, it is

estimated that the machines are generating net win of over \$5 billion annually in California. If the tribes agree to this measure's provisions, tribes would pay 25 percent of their slot machines' net win to the GRTF—potentially over \$1 billion annually. These payments would be provided primarily to local governments to increase funding for child protective, police, and firefighting services.

Existing Payments to the State. As described above, tribes under the 1999 and 2004 compacts pay hundreds of millions of dollars annually to the state for both specific and general purposes. This measure does not specifically address whether these payments would continue or cease under the compact revision process. As a result, it appears that the continuation of the payments would be subject to negotiation between the tribes and the Governor. If the revised compacts do not include a continuation of these payments, the state would experience a reduction in payments—potentially totaling hundreds of millions of dollars annually.

Expansion of Gambling at Card Rooms and Racetracks

Net Win Payments. If the tribes do not agree to revise their compacts within the time required, specific card rooms and horse racing tracks would be authorized to operate up to 30,000 slot machines. These entities would pay 30 percent of the net win to the GRTF. The amount of these payments would depend on the number of slot machines in operation and their net win. These revenues could potentially be over \$1 billion annually. These revenues would be provided primarily to local governments to increase funding for child protective, police, and firefighting services.

Additional Payments to Local Governments. Also under this scenario, the cities in which these establishments are located would collectively receive payments in the high tens of millions of dollars (2 percent of the net win). Counties in which these establishments are located would collectively receive payments of half of this amount (1 percent of the net win). The use of these funds is not restricted.

Increased Taxable Economic Activity. If the tribes do not agree to the requirements of this measure, the expansion of gambling at card rooms and racetracks could result in an overall increase in the amount of taxable economic activity in California. This would occur if, over time, there was a large diversion of gambling activity and associated spending from other states to California. This would also be the case to the extent that the gambling authorized by this measure replaced existing tribal gambling activities (since much tribal activity is exempt from state taxation). This additional gambling-related activity would lead to an unknown increase in state and local tax revenues.

NON-TRIBAL COMMERCIAL GAMBLING EXPANSION. TRIBAL GAMING COMPACT AMENDMENTS. REVENUES, TAX EXEMPTIONS. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

ARGUMENT in Favor of Proposition 68

Can we share some straight talk?

Indian casinos are earning between \$5 Billion and \$8 Billion per year through a monopoly granted to them by the state of California. Under this monopoly, only Indian casinos can operate slot machines in California. But while the rest of us pay taxes on what we earn, the tribes pay almost nothing on their Billions of earnings—even though they use the same roads, schools, police, and fire and emergency medical services that we all pay for.

Last year, one Indian Casino alone had a slot machine profit of over \$300 million and paid no taxes.

It's time Indian Casinos paid their Fair Share.

In Connecticut and New York, Indian casinos pay the state up to a 25% Fair Share of their winnings in exchange for keeping their monopolies.

Proposition 68 says to the Indian Tribes: *You can keep your monopoly on slot machines, but only if you pay a 25% Fair Share like the Indian Casinos in Connecticut and New York.*

The 25% Fair Share would go to pay for local police and fire services and local programs for abused, neglected, and foster children. The Tribes would also be required to comply with the same political campaign contribution and environmental protection laws that all of us already must comply with.

Proposition 68 actually gives the Indian casinos a choice: If they pay their Fair Share, they keep their monopoly on slot machines. But if they don't, the state will also grant rights to a limited number of locations where gaming already exists.

The Indians would keep operating their slots, but they'd get a little competition. A limited number of card clubs and horseracing tracks *where gaming already exists* would be allowed to add slot machines to their existing games.

These card clubs and horseracing tracks are located in the cities of: Arcadia, Bell Gardens, Commerce, Compton, Cypress, Gardena, Hawaiian Gardens, Inglewood, and Oceanside in Southern California and in the cities of Albany, Colma, Pacheco, San Bruno, and San Mateo in Northern California. Unlike Indian casinos, the card clubs and racetracks would pay 33% of their revenues from the slot machines to local government.

With California's current budget crisis, we need the money.

According to the state's former Legislative Analyst, Bill Hamm, Proposition 68 will generate nearly \$2 Billion every year—monies that will be sent directly to all local governments around the state with all communities benefiting equally.

It isn't fair that the tribes can build casinos wherever they want and make Billions of dollars through a monopoly granted by the state without paying taxes or a Fair Share like the rest of us.

But Proposition 68 is fair: It doesn't take any rights away from the Indian Casinos. But it says that if Indian Casinos won't pay a Fair Share to support local public services like all of us, then they can't keep a state monopoly to themselves. You can't have it both ways.

It's time for the Indian Casinos to pay their Fair Share. We urge you to Vote YES on Proposition 68.

LEE BACA, Sheriff

County of Los Angeles

LOU BLANAS, Sheriff

County of Sacramento

ROY BURNS, President

Association of Los Angeles Deputy Sheriffs (ALADS)

REBUTTAL to Argument in Favor of Proposition 68

Proposition 68's promoters—card clubs and race-tracks—are using a bait-and-switch scheme. They want voters to think 68 is about “making the Indian tribes pay their fair share.” It's not.

It's really a deceptive attempt to change California's Constitution to create huge Las Vegas-size commercial casinos on non-Indian lands throughout California.

In fact, the very organizations Prop. 68 promoters claim to help, overwhelmingly reject this deceptive measure:

- Taxpayer groups OPPOSE Prop. 68 because IT WILL HURT—NOT HELP—THE STATE'S BUDGET—not one dollar will go to reduce the state's deficit, and 68 exempts its promoters from paying any future state and local tax increases.
- The California Police Chiefs Association, California State Firefighters Association, the California District Attorneys Association, and more than 30 County Sheriffs OPPOSE because Prop. 68 means MORE CRIME AND HIGHER LAW ENFORCEMENT COSTS. Prop. 68 would place HUGE NEW CASINOS on non-Indian lands in our cities and suburbs—

30,000 new slot machines NEAR MORE THAN 200 SCHOOLS.

- Education leaders and child advocates OPPOSE because Prop. 68 WILL END UP COSTING OUR SCHOOLS MILLIONS, hurting our kids.
- Public safety and local government leaders OPPOSE because Prop. 68 means MORE TRAFFIC CONGESTION on already overcrowded freeways and surface streets.

Please join Governor Schwarzenegger, law enforcement, firefighters, educators, parents, Indian tribes, business, labor, seniors, local government, environmentalists, and taxpayer groups, and VOTE NO ON 68.

STOP THE DECEPTIVE GAMBLING PROPOSITION. It's a bad deal for all Californians.

Please VOTE NO on PROPOSITION 68.

CARLA NIÑO, President

California State PTA

DAVID W. PAULSON, President

California District Attorneys Association

MIKE SPENCE, President

California Taxpayers Protection Committee

**NON-TRIBAL COMMERCIAL GAMBLING EXPANSION.
TRIBAL GAMING COMPACT AMENDMENTS. REVENUES, TAX EXEMPTIONS.
INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.**

**PROP
68**

ARGUMENT Against Proposition 68

Message from Governor Arnold Schwarzenegger: "I am officially opposed to Proposition 68, and I strongly urge you to VOTE NO."

This measure is not what it seems. While proponents claim the measure will force Indian gaming tribes to pay their fair share to the state, Proposition 68 does nothing of the sort.

Proposition 68 is not a guaranteed source of revenues for California from Indian gaming tribes. Instead it authorizes 16 new Las Vegas-style casinos to be built in urban areas throughout California.

Governor Schwarzenegger has a vision for California that does NOT include making our state the next pot of gold for commercial casino gambling interests. Governor Schwarzenegger believes casino gaming should be limited to Indian lands.

THE NEW AGREEMENTS GOVERNOR SCHWARZENEGGER NEGOTIATED WITH MANY INDIAN GAMING TRIBES ARE A WINNER FOR TRIBES AND TAXPAYERS. These agreements keep California's promise to Indian tribes while making them pay their fair share. They promote cooperation between tribes and local governments to deal with the impact on law enforcement, traffic congestion, and road construction. Unfortunately, Proposition 68 could destroy these new agreements.

The 16 new casinos authorized by Proposition 68 are located in urban areas of California. They will be near 200 schools and major streets and freeways in Los Angeles, the San Francisco Bay Area and San Diego, further congesting our crowded roads.

NOT A SINGLE PENNY FROM THIS INITIATIVE CAN BE USED TO HELP BALANCE THE STATE BUDGET. Further, the promoters of Proposition 68 have written it so they are exempt from paying any future increases in state and local taxes.

GOVERNOR SCHWARZENEGGER JOINS MORE THAN 400 PUBLIC SAFETY, TAXPAYER, AND OTHER LEADERS IN SAYING:

VOTE NO ON 68

California Police Chiefs Association, California State Firefighters' Association, California Coalition of Law

Enforcement Associations, California District Attorneys Association, More than 50 California Indian Tribes, State Treasurer Phil Angelides, State Controller Steve Westly, Superintendent of Public Instruction Jack O'Connell, Crime Victims United of California, Peace Officers Research Association of California, Sierra Club California, California School Boards Association, The Seniors Coalition, Prevent Child Abuse California, California Taxpayer Protection Committee.

AND 34 COUNTY SHERIFFS:

• Sheriff James Allen • Sheriff Terry Bergstrand • Sheriff Virginia Black • Sheriff Ed Bonner • Sheriff Bob Brooks • Sheriff Bill Cogbill • Sheriff Anthony Craver • Sheriff John Crawford • Sheriff Jim Denney • Sheriff Bob Doyle • Sheriff Robert Doyle • Sheriff Bill Freitas • Sheriff Curtis Hill • Sheriff William Kolender • Sheriff Dan Lucas • Sheriff Ken Marvin, Ret. • Sheriff Scott Marshall • Sheriff Rodney Mitchell • Sheriff Bruce Mix • Sheriff Daniel Paronick • Sheriff Clay Parker • Sheriff Gary Penrod • Sheriff Charles Plummer • Sheriff Jim Pope • Sheriff Ed Prieto • Sheriff Michael Prizmich • Sheriff Perry Reniff • Sheriff Richard Rogers • Sheriff Warren Rupf • Sheriff Robert Shadley, Jr. • Sheriff Gary Simpson • Sheriff Gary Stanton • Sheriff Mark Tracy • Sheriff Dean Wilson.

PROP. 68 WOULD RESULT IN A HUGE EXPANSION OF CASINO GAMBLING ON NON-INDIAN LANDS.

It's a sweetheart deal for the gambling interests behind it, another broken promise to Indian tribes, and a bad deal for the rest of us.

VOTE NO ON 68. STOP THE DECEPTIVE GAMBLING PROPOSITION.

ARNOLD SCHWARZENEGGER, *Governor
State of California*

JEFF SEDIVEC, *President*

California State Firefighters' Association

WAYNE QUINT, JR., *President*

California Coalition of Law Enforcement Associations

REBUTTAL to Argument Against Proposition 68

"[Arnold Schwarzenegger] wants to renegotiate gaming compacts with casino-operating Indian tribes in the hopes of getting tribes to share revenue with the state. He noted tribes pay Connecticut 25 percent of their revenues, and said such an arrangement could pay for 'thousands of police officers, thousands of teachers.'"

—*Sacramento Bee, Sept. 24, 2003*

We agreed then and we agree now. It makes zero sense for the overwhelming majority of Indian casinos—a \$6-\$8 billion industry—to operate in California while paying virtually nothing to support the common good.

It's time for these immensely profitable Indian casinos to give something back to the state that has given them the most lucrative gaming monopoly in history. It's time for the people of California to get their fair share.

Proposition 68 isn't a blank check for the politicians in Sacramento. It requires a real and meaningful fair share payment that must be used to hire local police and

sheriffs, keep local fire stations open, and fund proven educational programs for abused and neglected children.

To make sure it's truly fair, we give the Indian casinos the final choice. They choose to make this 25% contribution—just as they do in New York and Connecticut. Otherwise, the state will allow limited and highly regulated competition with an even bigger financial return to California's communities.

Before you make your decision, please read the initiative. We think you'll agree: it's time the Indian casinos did the right thing. And pay their fair share.

LEE BACA, *Sheriff*

County of Los Angeles

LOU BLANAS, *Sheriff*

County of Sacramento

ROY BURNS, *President*

Association of Los Angeles Deputy Sheriffs (ALADS)

PROPOSITION

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TRIBAL GAMING COMPACTS. EXCLUSIVE GAMING RIGHTS. CONTRIBUTIONS TO STATE. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

OFFICIAL TITLE AND SUMMARY

Prepared by the Attorney General

Tribal Gaming Compacts. Exclusive Gaming Rights. Contributions to State. Initiative Constitutional Amendment and Statute.

- Upon request by federally-recognized Indian tribe, Governor must execute renewable 99-year gaming compact.
- Grants exclusive tribal gaming rights; no limits on number of machines, facilities, types of games on Indian land.
- Tribes contribute percentage of net gaming income, based on prevailing state corporate tax rate, to state fund.
- Contributions cease if non-tribal casino-type gaming is permitted.
- Contributions are in lieu of any other fees, taxes, levies.
- Requires off-reservation impact assessments, public notice/comment opportunities before significant expansion or construction of gaming facilities.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

- Unknown effect on payments to the state from Indian tribes. The potential increase or decrease in these payments could be in the tens of millions to over a hundred million dollars annually.
- Likely reduction in tribal payments to local governments, potentially totaling in the millions of dollars annually.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Indian Tribes in California. Under federal law, Indian tribes in California are considered sovereign nations. As a result, tribes are not required to pay most federal, state, or local taxes (such as income, property, or sales tax). In addition, tribes are largely exempt from state laws, including California environmental and workplace laws.

Gambling on Tribal Lands. Federal law and the State Constitution allow tribes to conduct gambling on Indian land if they enter into agreements with the state. These agreements, called compacts, lay out the conditions under which the gambling may occur. Under current compacts, tribes may operate slot machines and card games, such as twenty-one. Other Nevada-style casino games such as craps and roulette are prohibited. Currently, 64 tribes have compacts and operate 53 casinos with a total of more than 54,000 slot machines.

1999 Compacts. Most tribes signed their current compacts in 1999. Under these compacts, a tribe may operate up to two facilities and up to a total of 2,000 slot machines. In exchange, tribes make some payments to the state which can only be used for specified purposes (such as for making payments to tribes that either do not operate slot machines or operate fewer than 350 machines). These payments total over \$100 million annually. Under these compacts, tribes are required to prepare an environmental study analyzing the impact on the surrounding area of any new or expanded gambling facility. These compacts will expire in 2020.

2004 Compacts. In the summer of 2004, five tribes signed amendments to their 1999 compacts, and these revised

agreements were approved by the state. Under these new agreements, these tribes may operate as many slot machines as they desire. In exchange, these tribes make a specified payment annually to the state, with additional payments for each slot machine added to their facilities. Payments to the state from these revised compacts are expected to total in the low hundreds of millions of dollars annually. Unlike the payments required by the 1999 compacts, the state can use these payments for any purpose. The newer compacts also require the tribes to (1) prepare more detailed environmental studies, (2) negotiate with local governments regarding payments addressing the impacts of new gambling facilities on the local communities, and (3) follow other provisions related to patron disputes, building codes, and labor relations. These new agreements expire in 2030, ten years later than the 1999 compacts.

PROPOSAL

This measure amends the State Constitution and state statutes to require the Governor to amend an existing compact or enter into a new compact with any tribe within 30 days of a tribe's request. Any such compact would have to include certain provisions, as discussed below.

Gambling Revenues. Under the provisions of the measure, a tribe entering into an amended or new compact would pay the state a percentage of its net income from gambling activities. The percentage of net income paid would be equivalent to the corporate tax rate paid by a private business (currently 8.84 percent). The measure specifies that the state could spend these revenues for any purpose. In the event that the tribes lose their exclusive right

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ANALYSIS BY THE LEGISLATIVE ANALYST (CONT.)

to conduct certain types of gambling in California, the tribes would no longer be required to make these payments to the state. These payments generally would be in place of any other state or local government fees, taxes, or levies on gambling activities. (Tribes, however, would still be required to make the specific payments required under the 1999 compacts.)

Expansion of Gambling. The measure expands the types of games authorized by the compacts to include roulette, craps, and any other form of casino gambling. The measure eliminates the 1999 compact limit on the number of slot machines and facilities a tribe can operate on Indian lands.

Compacts Extended. The measure specifies that any amended or new compact would remain in effect for 99 years. These compacts could be amended or renewed upon agreement of the Governor and a tribe and approval by the federal government.

Environmental Studies. As required under the 1999 compacts, any tribe entering a compact under this measure would be required to prepare an environmental study analyzing the impact on the surrounding area of any new or expanded tribal gambling facility.

Related Provisions in Proposition 68. Proposition 68 on this ballot also contains provisions affecting the number of slot machines authorized in the state. That measure would allow specified card rooms and racetracks to operate slot machines if tribes do not agree to make specified payments to the state and abide by certain state laws. The State Constitution provides that if the provisions of two approved propositions are in conflict, only the provisions of the measure with the higher number of yes votes at the statewide election take effect.

FISCAL EFFECT

Background. Over time, it is likely that additional tribes will seek amendments to their compacts similar to those agreed to by five tribes earlier this year. These amendments would allow tribes to exceed their current limit of 2,000 slot machines. As a result, over the next few years (absent any other changes), the state would likely experience:

- Increased slot machines operated on Indian lands in the thousands.
- Increased state revenues in the hundreds of millions of dollars annually.
- Increased payments to local governments to address the impacts of gambling on communities in the millions of dollars annually.

Changes Under the Measure. In comparison to the existing compacts, the compacts authorized under this measure would generally offer tribes the following:

- **More Games.** Like the 2004 compacts, this measure's compacts would not restrict the number of allowable slot machines. In addition, this measure would allow tribes to offer additional casino games, like craps and roulette.

- **Likely Lower Payments.** Rather than the per machine payments to the state required under the 2004 compacts, this measure's payments would be based on the income generated by the machines (and other games). The amount of payments received by the state, therefore, would vary among tribes, depending on their gambling operations. Consequently, it is difficult to determine the exact amount that would be paid to the state. We have reviewed the payments required by the 2004 compacts and those required under this measure. For any given level of tribal gambling activity, the payments to the state would tend to be lower under this measure.

- **Fewer Regulations.** Tribes under this measure would not be subject to several provisions in the 2004 compacts, such as the requirements for more extensive environmental reviews and negotiations with local governments.

- **Longer Length.** Under the measure, tribes' compacts would last 99 years. This would provide tribes with greater long-term stability for their gambling operations.

Given these provisions compared to existing compacts, we would expect many tribes to request amendments under this measure. In this case, tribes would be able to add additional slot machines and other games to their operations. Consequently, tribal gambling across the state under this measure would likely be higher than otherwise would have been the case.

Estimated Gambling Revenues. Although the measure could lead to an increase in overall gambling in the state, it is unclear what impact that would have on payments to the state. This is because, as noted above, the payments for any given level of gambling activity would tend to be lower than under current law. If the increase in gambling income were to more than offset the lower payments, the state would experience an increase in annual payments. On the other hand, if the increase in gambling income did not offset the lower payments, the state would experience a reduction in annual payments.

The change in revenues from current law would depend on a variety of factors including (1) the extent to which tribes agreed to the measure's provisions, (2) the extent to which new slot machines and games were added at gambling establishments, (3) the income generated from gambling, and (4) how the state enforced the collection of required payments based on the net income of each tribe. The change in payments—whether an increase or decrease—could be in the tens of millions to over a hundred million dollars annually.

Payments to Local Governments. To the extent that tribes opted to accept this measure's provisions rather than those of the 2004 compacts, they would not be subject to the requirement for negotiations with local governments concerning community impacts. As a result, local governments would likely receive less in payments from tribes. The amount of any such reduction is unknown but would likely be in the millions of dollars annually.

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TRIBAL GAMING COMPACTS. EXCLUSIVE GAMING RIGHTS. CONTRIBUTIONS TO STATE. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

ARGUMENT in Favor of Proposition 70

California Indian Tribes have come forward with this initiative and volunteered to pay millions of dollars from their gaming revenues to help California taxpayers. We want to pay our fair share, which means we would pay the same as any other business pays in state taxes.

We would not pay any more or any less—just the same as everybody else. We think that is fair, even though the law exempts Indian tribes from paying taxes on income from gaming activities on Indian lands. We want to pay our fair share to help California out of the financial problems that our political leaders have created.

When California Indians were rounded up and forced onto land that nobody wanted, they were given the sovereignty to run their own affairs without interference. Now, after decades of hardship, many tribes have been able to achieve some success. Gaming revenues have finally allowed many tribes to provide education, housing, and health care for their members.

As history has sadly shown, however, there are some who now want to take the good fortune away from the successful Indians.

We are very thankful that the people of California voted time and again to respect Indian sovereignty and support Indians' rights to conduct gaming operations on tribal lands.

Now we are once again forced to go directly to the voters and bypass the politicians in Sacramento. After mispending the State surplus, they are trying to get California Indian tribes to make up the difference. They want to come onto our reservations and tell us how to run our businesses. They won't negotiate with Indian tribes

one-by-one, but insist that we all accept a deal that was only negotiated by a few.

Our initiative is very simple and straightforward: We will pay millions of dollars to the State; in return, we want to be able to run our tribal businesses like any other businesses.

This Proposition will continue the ban on new tribal casinos that are NOT on Indian Reservations, unlike Proposition 68, which would result in casinos throughout California.

This Proposition will lead to new agreements allowing each tribe to decide for itself how many casinos and what types or how many games it wishes to operate on its tribal lands. Tribes would get to make these decisions, like other businesses, without government interference. Market forces would determine the best decisions.

Under the new agreements, tribes would prepare environmental impact reports and develop a good-faith plan to mitigate any significant adverse environmental impacts after consultation with the public and local governments.

And just like any other business that has the right to decide what kind of business to operate, Indian tribes would pay on their gaming revenues the equivalent of what other businesses pay as an income tax. This is basically a win-win for everyone.

That's why California's Indian tribes need your help once again to stand up for what's fair. Together, we will be living up to the promises made to California's Indians.

RICHARD M. MILANOVICH, *Tribal Chairman*
Agua Caliente Band of Cahuilla Indians

REBUTTAL to Argument in Favor of Proposition 70

More than 60 California Indian tribes operate casinos, but just one tribe is sponsoring Proposition 70. It says it wants to be treated like other businesses, but what other business can't be audited by the state to determine their taxable income? What other business is granted a 99-year casino gaming agreement?

Proposition 70 is full of loopholes:

- No provision to ensure tribes pay their fair share
- Keeps the state in the dark about the amount of money Indian casinos earn

Governor Schwarzenegger's negotiated agreements with several gaming tribes will add \$1 billion to the state's bottom line this year alone and hundreds of millions more every year. Proposition 70 effectively destroys these agreements.

Don't be misled by this self-serving measure that's been drafted by one lone Indian gaming tribe. Governor Schwarzenegger, leaders in law enforcement, labor, the environmental community, and seniors all say VOTE NO on Proposition 70.

Additional reasons Californians should VOTE NO on Proposition 70:

- Gives tribes a 99-year casino gaming agreement
- Wouldn't require tribes to pay taxes other companies pay, such as property and income taxes
- Allows tribes to own an unlimited number of casinos with no size limits
- Paves the way for UNLIMITED casino gaming in major urban and suburban areas across California

Governor Schwarzenegger's agreements are a winner for tribes and taxpayers. These agreements keep California's promise to Indian tribes while ensuring they pay their fair share.

VOTE NO ON PROPOSITIONS 68 & 70.

DAVID W. PAULSON, *President*
California District Attorneys Association

JACK GRIBBON
California UNITE HERE!

JOHN T. KEHOE, *President*
California Senior Action Network

**TRIBAL GAMING COMPACTS.
EXCLUSIVE GAMING RIGHTS. CONTRIBUTIONS TO STATE.
INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.**

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ARGUMENT Against Proposition 70

Message from Governor Arnold Schwarzenegger: "I am officially opposed to Propositions 68 & 70, and I strongly urge you to VOTE NO."

This measure is not what it seems, which is why Governor Schwarzenegger is asking you to **VOTE NO**. The wealthy Indian gaming tribes behind Proposition 70 want you to believe this measure will force tribes to "pay their fair share." *The truth is that it gives these Indian gaming tribes a 99-year monopoly on gambling without ever having to pay their fair share in revenues to the state.* If Prop. 70 passes, it will be almost impossible to change.

For years Indian gaming tribes have paid almost nothing to state or local governments. But now, **GOVERNOR SCHWARZENEGGER HAS NEGOTIATED NEW AGREEMENTS WITH MANY TRIBES THAT ARE A WINNER FOR TRIBES AND TAXPAYERS.**

UNFORTUNATELY, PROPOSITION 70 EFFECTIVELY DESTROYS THESE NEW AGREEMENTS. Prop. 70 claims that tribes will pay a percentage of their net profits to the state, but it does not provide the state any auditing vehicle to determine those profits. Without a state audit, taxpayers will never know if they are getting a fair deal or a raw deal.

Unlike the new agreements Governor Schwarzenegger has negotiated, this measure will allow tribes to massively expand gambling by operating an unlimited number of casinos. **PROPOSITION 70 ENCOURAGES TRIBES TO PUT CASINOS IN OUR STATE'S MAJOR CITIES, INCREASING CRIME AND TRAFFIC CONGESTION PROBLEMS.**

Governor Schwarzenegger's agreements promote cooperation between tribes and local governments to deal with the impact on law enforcement, traffic congestion, and road construction while providing needed environmental protections. Proposition 70 will undo these agreements. **PROPOSITION 70 PROVIDES NO MONEY FOR LAW ENFORCEMENT, ENVIRONMENTAL IMPACTS, OR TRANSPORTATION.**

WORKING CALIFORNIANS OPPOSE PROPOSITION 70:

"Responsible Indian tribes have already negotiated and signed agreements with Governor Schwarzenegger that are good for employees and casino customers plus provide a significant boost to the California economy. The compacts already in place will create more than 25,000 new jobs. Most important, the compacts provide stability and predictability for governments, tribes, and local communities."

Bob Balgenorth, President

State Building and Construction Trades Council of California

LAW ENFORCEMENT GROUPS ALSO OPPOSE PROPOSITION 70:

"Casinos can be a magnet for crime. Unfortunately, Proposition 70 provides no funds to local law enforcement agencies to help fight crime in the communities surrounding Indian casinos. Please vote NO on this measure."

Chief Jerry Adams, President

California Peace Officers' Association

PROPOSITION 70 IS A BAD DEAL FOR CALIFORNIA.

Responsible Indian tribes have already negotiated and signed agreements with Governor Schwarzenegger that benefit both tribes and taxpayers. The tribes pay their fair share while agreeing to follow important environmental and public safety laws. Proposition 70 effectively eliminates these protections and gives tribes a 99-year casino gaming agreement that California will never be able to change without another constitutional amendment.

VOTE NO ON PROPOSITION 70.

ARNOLD SCHWARZENEGGER, Governor
State of California

LARRY MCCARTHY, President

California Taxpayers' Association

SHERIFF BILL KOLENDER, 1st Vice President
California State Sheriffs' Association

REBUTTAL to Argument Against Proposition 70

The opponents of Proposition 70 have their facts wrong.

Proposition 70's agreements will require Indian tribes that engage in gaming operations to pay the State the **SAME AMOUNT** that every corporation pays in state income taxes. No more, no less—**WHAT COULD BE FAIRER?**

Under Proposition 70, **THE STATE** is not prohibited from agreeing to audits of the Tribes' records to ensure their fair share is paid.

And Proposition 70 will mean that tribal gaming can occur **ONLY** on Indian land and **NOWHERE ELSE**. It will **NOT** lead to increased gambling **OFF** Indian lands.

California Indians sponsored this "Indian Fair Share Initiative" because we knew we had to turn directly to the voters, who have more sense than the politicians.

We've seen the political games that continue to be played by special interest groups, who want Indians to lose their right to conduct gaming so they can take it over.

If Proposition 70 doesn't pass, California will lose billions of dollars in revenue from gaming tribes. Unless the existing compacts are changed, tribes would not be obligated to pay any more for the next 17 years.

Governor Schwarzenegger has proposed his own compacts, but they were so flawed that only about 4% of the state's tribes signed them. No other tribes will sign those agreements because they unfairly take away Indians' rights.

Only this initiative will keep Indian gaming on reservations and provide billions of dollars to California in a way that is **FAIR TO BOTH INDIANS AND TAXPAYERS.**

VOTE YES on PROPOSITION 70.

RICHARD M. MILANOVICH, Tribal Chairman
Agua Caliente Band of Cahuilla Indians